

City Manager's 2023 Recommended Budget

City Commission Work Session

November 16, 2023



Today's Agenda

1. Overview
2. Justice CSA
3. Building & Environmental CSA

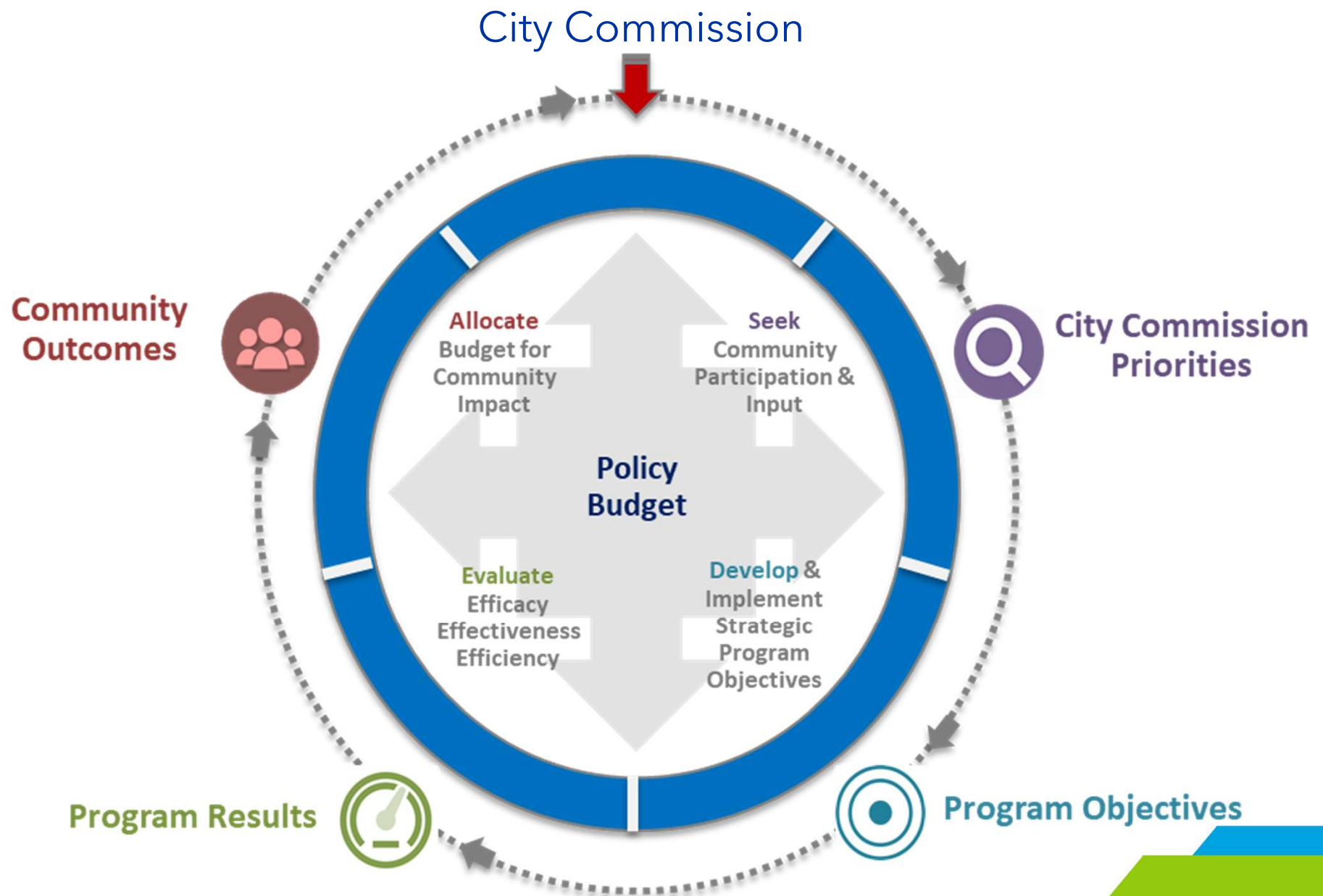
2023 Budget Overview

1. Background and Overview of the Policy Budget Process
2. Performance Management Update
3. Equity and Inclusion Momentum
4. Expenditure Budgets
5. General Fund and Enterprise Budgets

Background

- In November of 2014, a charter amendment was approved by voters that changed the budget process.
- In 2015, City Commission adopted budget ordinance 31414-15 establishing a new budget process. Major components include:
 - Policy focus
 - Emphasis on Community Service Areas and Community Outcomes
 - Program Objectives and Performance Measures
 - Financial Policies

Policy Budget Framework

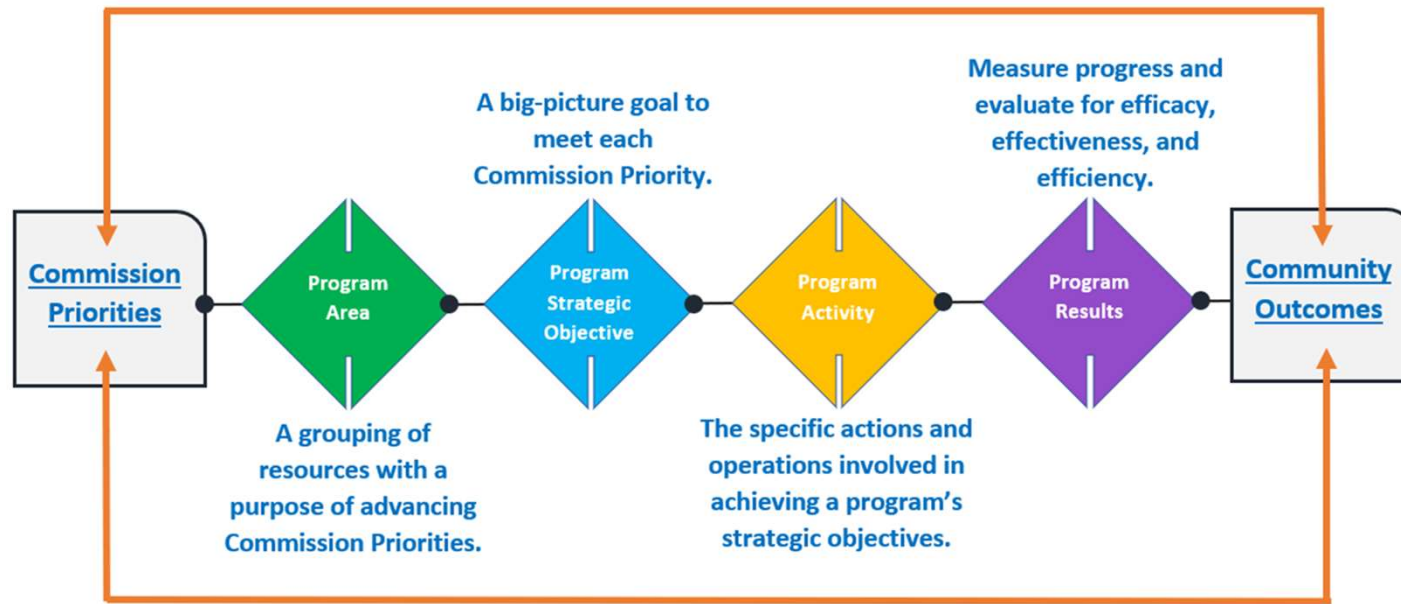


Community Service Areas

- Community Service Areas (CSAs) are comprised of Program Areas made up of Departments and Divisions providing services that share an integrated mission to address City Commission priorities
- CSAs are linked together to form the framework for the City's Policy Budget



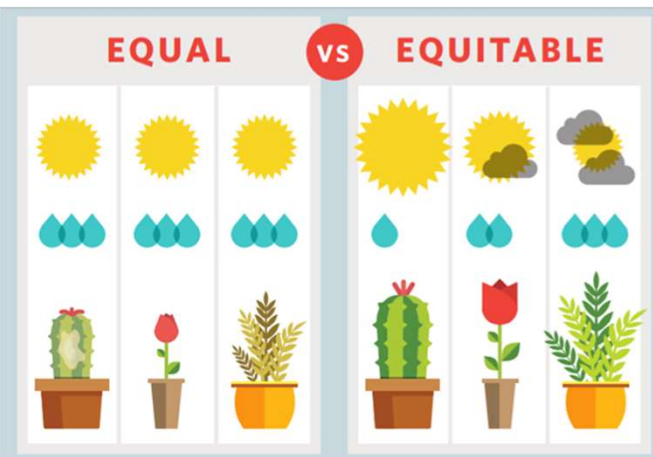
Performance Management Update



- All departments have been moved to the new Performance Management System
- There are two types of Measures:
 - Management
 - Operating
- Reporting will be done on Management Performance Measures
- New or recently updated measures may not have results, but a baseline goal has been provided

Equity and Inclusion

- In 2020, the City Commission passed Resolution 6512-20, declaring racism a public health crisis in the City of Dayton.
- During the 2022 budget process, Departments were asked to identify and describe how their 2022 budget, work plan, policies and programs address the policy priority of Equity and Inclusion.
- The momentum of applying an Equity and Inclusion Lens to the budget was continued in 2023.
 - Departments were again asked how their budget addressed the policy priority but there was a specific focus and emphasis on data. This was applied internally and externally.



Externally

Departments identified what data is or can be used to improve equity and inclusion in programs and service delivery.

Internally

Departments assessed internal practices, like hiring and opportunities for professional development.

Presentation Focus

- The City Manager's Recommended Budget is presented by CSA, City Commission Priority (Policy Objective), and Programs that address each priority
- Each of these presentations, by CSA, will cover the following parts of the City Budget:
 1. **Operating** - General Fund, Select Special Projects Funds and Other Special Revenue Funds, Roadway Maintenance, Enterprise Funds, Major Grants, and Internal Service Funds
 2. **Capital** - Enterprise Capital, General Capital, HUD, and select Other Special Revenue Funds
- Not being presented are most Special Projects Funds, Bond Retirement, Non-Major Grants and most Other Special Revenue Funds

2023 Proposed Budget – By Fund

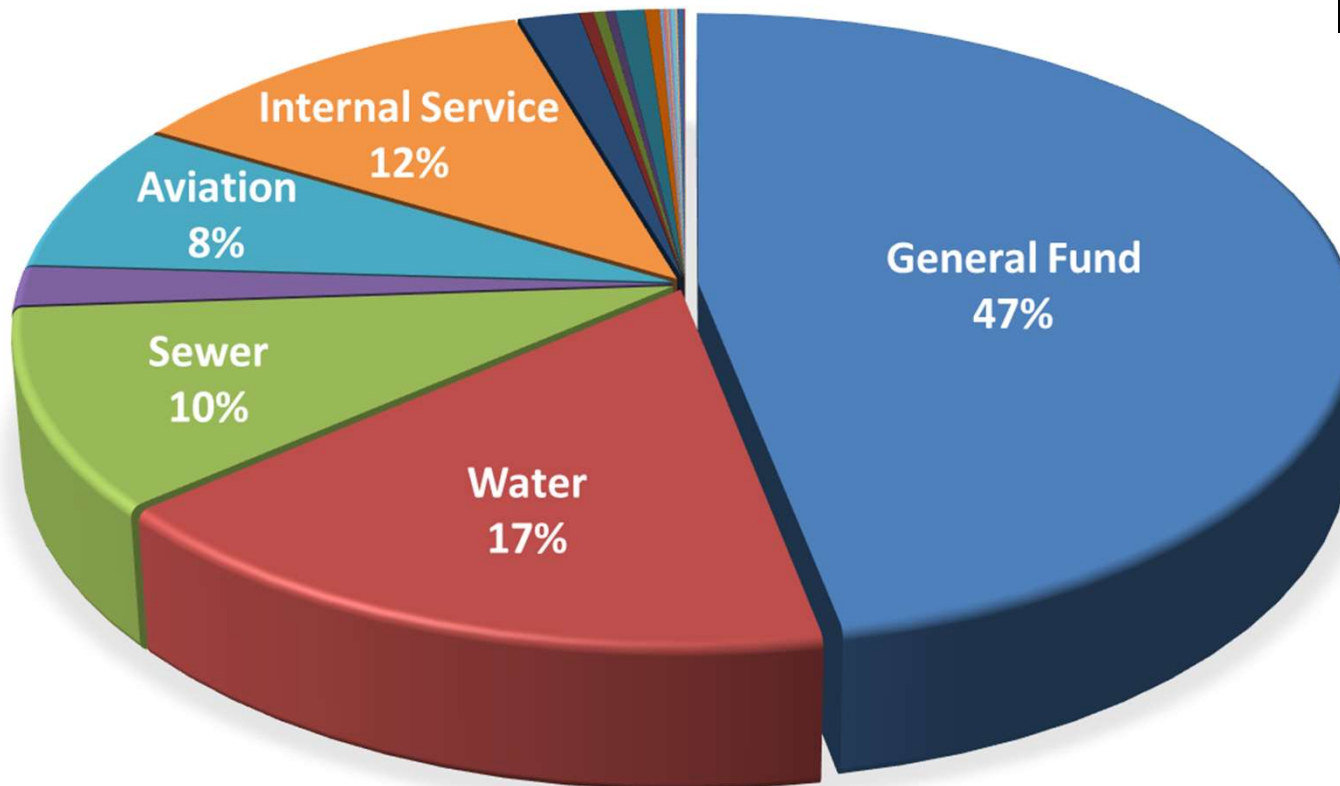
Budget by Fund	2022 Original Budget	2023 Proposed Budget	22-'23 \$ Chg.	22-'23 % Chg.
General Fund	198,895,600	212,657,300	13,761,700	6.9%
Water	70,448,300	75,451,800	5,003,500	7.1%
Sewer	43,836,800	46,602,500	2,765,700	6.3%
Storm Water	8,407,500	9,082,700	675,200	8.0%
Aviation	36,040,581	35,040,300	(1,000,281)	-2.8%
Internal Service	51,694,000	53,405,700	1,711,700	3.3%
Roadway	7,827,200	7,584,000	(243,200)	-3.1%
Golf	2,079,000	1,745,500	(333,500)	-16.0%
CDBG	1,396,400	1,455,600	59,200	4.2%
Treasurey	1,177,100	1,207,400	30,300	2.6%
Photo Enforcement	2,980,900	3,691,200	710,300	23.8%
ARPA OCJS Grant	0	1,851,608	1,851,608	N/A
Law Enforcement	562,595	435,850	(126,745)	-22.5%
Mediation	493,700	443,400	(50,300)	-10.2%
HRC-Minority Business Asst Crt.	300,000	150,000	(150,000)	-50.0%
Right of Way	328,800	336,200	7,400	2.3%
Community Policing	589,600	581,200	(8,400)	-1.4%
Community Paramedicine	307,000	225,900	(81,100)	-26.4%
Court Service Fees	894,070	802,700	(91,370)	-10.2%
Fire Regional Medical Response	442,057	190,200	(251,857)	-57.0%
Total Operating Budgets	428,701,203	452,941,058	24,239,855	5.7%
Governmetal Capital	27,112,000	28,026,600	914,600	3.4%
Enterprise Capital	64,067,600	24,063,700	(40,003,900)	-62.4%
Total Capital Budgets	91,179,600	52,090,300	(39,089,300)	-42.9%
Total Proposed Operating & Capital	519,880,803	505,031,358	(14,849,445)	-2.9%

Does not include PY Reappropriated budget.

2023 Proposed Operating Budget

Total Operating Budget
\$452.9 Million

Storm Water	2.01%
Roadway	1.67%
Golf	0.39%
CDBG	0.32%
Treasury	0.27%
Photo Enforcement	0.81%
ARPA OCJS Grant	0.41%
Law Enforcement	0.10%
Mediation	0.10%
HRC-Minority Business Asst Crt.	0.03%
Right of Way	0.07%
Community Policing	0.13%
Community Paramedicine	0.05%
Court Service Fees	0.18%
Fire Regional Medical Response	0.04%



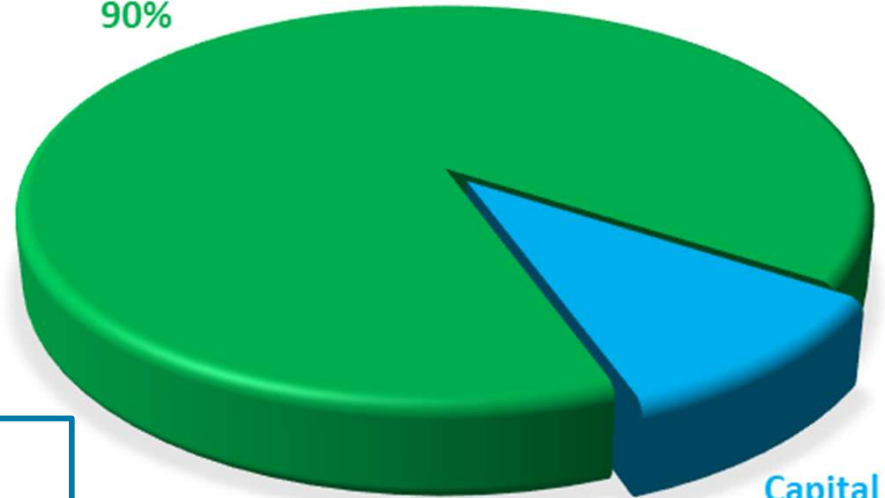
Proposed Operating and Capital Budget

Community Service Area	2022 Original Budget	2023 Proposed Budget	\$ Chg.	% Chg.
Economic and Community Development	24,291,700	24,943,900	652,200	2.7%
Infrastructure	99,189,919	105,373,200	6,183,281	6.2%
Corporate Services and Governance	42,211,200	44,547,500	2,336,300	5.5%
Building and Environmental Safety	127,226,919	134,450,300	7,223,381	5.7%
Justice	75,514,965	81,647,958	6,132,993	8.1%
Internal Service Funds	51,694,000	53,405,700	1,711,700	3.3%
Your Dollars, Your Neighborhood	8,572,500	8,572,500	-	0.0%
Total Operating Budgets	\$428,701,203	\$452,941,058	\$24,239,855	5.7%
Governmental Capital	27,112,000	28,026,600	914,600	3.4%
Enterprise Capital	64,067,600	24,063,700	(40,003,900)	-62.4%
Total Capital Budgets	\$91,179,600	\$52,090,300	(\$39,089,300)	-42.9%
Total Proposed Operating & Capital	\$519,880,803	\$505,031,358	(\$14,849,445)	-2.9%

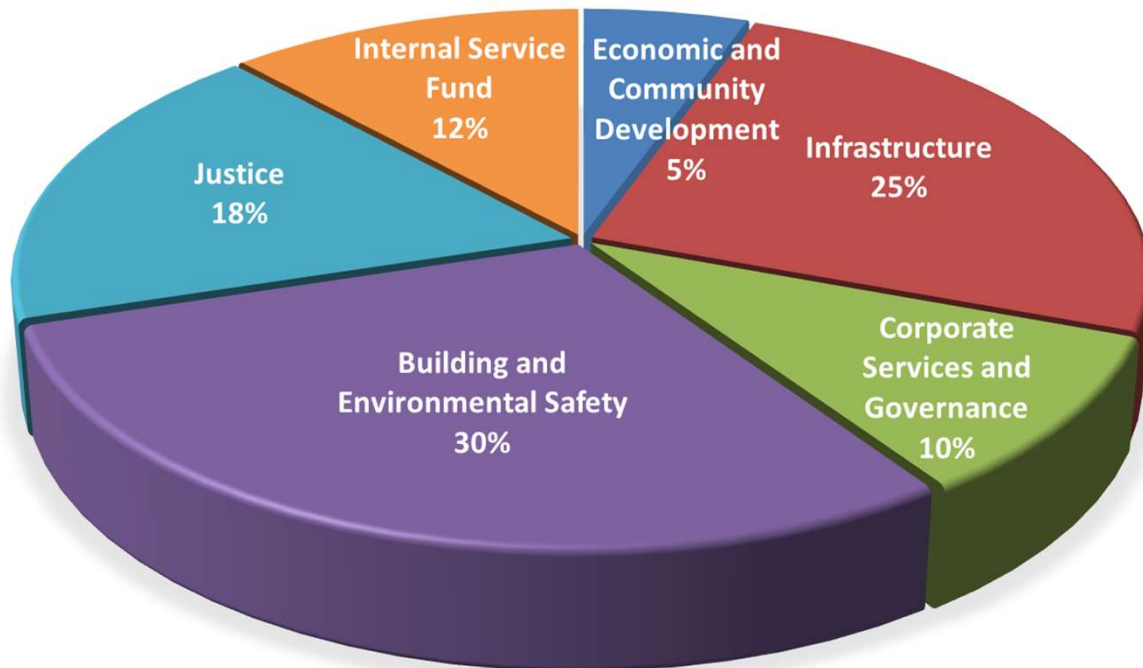
Proposed Operating and Capital Budget

OPERATING VS CAPITAL BUDGETS

Operating
90%



Capital
10%



Total Operating & Capital Sources
\$505.0 Million

2023 Proposed Budget – By CSA

	2022 Original	2023 Proposed		
CSA: Justice	Budget	Budget	\$ Chg.	% Chg.
Mediation Center	1,368,900	1,450,700	81,800	6.0%
Advance Police Community Relations	\$1,368,900	\$1,450,700	\$81,800	6.0%
Clerk of Courts	4,427,070	4,511,700	84,630	1.9%
HRC - Civil Rights Compliance	1,096,600	879,800	(216,800)	-19.8%
Law - Criminal	1,265,200	1,324,800	59,600	4.7%
Municipal Courts	5,834,200	6,268,000	433,800	7.4%
Patrol Operations	27,787,900	30,769,600	2,981,700	10.7%
Police Investigations and Admini	33,172,500	34,155,900	983,400	3.0%
Law Enforcement Funds	562,595	435,850	(126,745)	-22.5%
OCJS ARPA Grant	0	1,851,608	1,851,608	N/A
Promote Just and Safe City	\$74,146,065	\$80,197,258	\$6,051,193	8.2%
Justice	\$75,514,965	\$81,647,958	\$6,132,993	8.1%

- The 2023 proposed budget for the Justice CSA is up \$6.1 million or 8.1%. This is the largest percent increase for any CSA.
- The Mediation Center budget is up 6.0% as a result of the expansion of Mediation Response Unit (MRU) program with 2 additional positions.
- The Clerk of Courts budget is up 1.9% while Municipal Courts increases \$433,800 or 7.4% due to a new bailiff position and a one-time wage increases.
- HRC decreases 19.8% due to movement of personnel into a newly created org as part of their reorganization. Total number of FTE's remain unchanged.
- Police programs make up \$3.8 million of the proposed budget increases as a result of larger recruit class to combat attrition and addition of the court security contract with Mont. County Sheriff for the Courts.

2023 Proposed Budget – By CSA

	2022 Original	2023		
CSA: Building and Environmental Services	Budget	Proposed Budget	\$ Chg.	% Chg.
Building Inspection	2,148,000	2,526,600	378,600	17.6%
Environmental and Wellfield Prot	6,505,300	4,458,100	(2,047,200)	-31.5%
Housing & Inspections (including Demolition)	4,266,700	4,451,300	184,600	4.3%
Office of Sustainability	220,900	167,200	(53,700)	-24.3%
Waste Collection	11,530,500	11,844,200	313,700	2.7%
Water Reclamation	22,562,100	24,069,800	1,507,700	6.7%
Water Supply and Treatment	28,799,600	33,370,800	4,571,200	15.9%
Promote Healthy and Safe Community	\$76,033,100	\$80,888,000	\$4,854,900	6.4%
Airport Safety Services	6,090,662	5,979,800	(110,862)	-1.8%
Fire Strategic Programs Safety	3,704,057	3,978,700	274,643	7.4%
Fire Support Services	4,864,800	5,238,200	373,400	7.7%
Fire Suppression EMS	36,227,300	38,139,700	1,912,400	5.3%
Community Paramedicine	307,000	225,900	(81,100)	-26.4%
Provide Responsive Emergency Services	\$51,193,819	\$53,562,300	\$2,449,581	4.6%
Building and Environmental Services	\$127,226,919	\$134,450,300	\$7,304,481	5.7%

- The 2023 proposed budget for the Building & Environmental CSA is up \$7.3 million or 5.8%.
- Water programs make up \$4.0 million of the increase due to position grade increases, and an increase in chemical and utility expenses.
- Fire programs make up \$2.6 million of the proposed budget growth, attributed to a temporary increase in authorized strength to mitigate overtime and BLS call volume.
- Airport Safety Services are down slightly, and Waste Collection are up inflationary amounts.

2023 Proposed Budget – By CSA

	2022 Original Budget	2023 Proposed Budget	\$ Chg.	% Chg.
CSA: Economic and Community Development				
Commission Priorities				
Community Development	1,154,900	1,214,100	59,200	5.1%
Encourage Healthy and Sustainable Growth	\$1,154,900	\$1,214,100	\$59,200	5.1%
Airport Support Services	5,139,400	5,657,100	517,700	10.1%
Community Engagement	809,600	879,500	69,900	8.6%
Development	4,377,700	4,348,700	(29,000)	-0.7%
HRC - Minority Business Assistance Ctr.	300,000	406,800	106,800	35.6%
Planning	710,200	836,200	126,000	17.7%
PND Administration	1,436,600	1,490,900	54,300	3.8%
Stimulate Innovative Welcoming and Just Economy	\$12,773,500	\$13,619,200	\$845,700	6.6%
Golf	2,079,000	1,745,500	(333,500)	-16.0%
Recreation	3,984,300	4,065,100	80,800	2.0%
Your Dollars Your Neighborhood	4,300,000	4,300,000	-	0.0%
Support Young People	\$10,363,300	\$10,110,600	(\$252,700)	-2.4%
Economic and Community Development	\$24,291,700	\$24,943,900	\$652,200	2.7%

- The 2023 proposed budget for the Economic & Community Development CSA is up \$652,200 or 2.7%.
- Airport Support Services is contributing \$517,700 of the total increase largely due to inflationary increases in consulting services and insurance cost.
- The Community Engagement Division increase is associated with higher than budgeted wages for new staff.
- The HRC-Minority Business Assistance Ctr. increases are a result of movement of personnel as part of reorganization and only six months of expenses for a state grant ending in June 2023.
- The Planning Division's increase reflects realignment of staffing from CDBG to the General Fund.
- The decrease in golf is a result of reduction in capital transfer.
- PND Administration and Recreation are up inflationary amounts.

2023 Proposed Budget – By CSA

	2022 Original Budget	2023 Proposed Budget	\$ Chg.	% Chg.
CSA: Infrastructure				
Airport Operations and Facilities	13,743,219	14,665,200	921,981	6.7%
Aviation Non-operating	11,067,300	8,738,200	(2,329,100)	-21.0%
Improve Airport Services	\$24,810,519	\$23,403,400	(\$1,407,119)	-5.7%
Civil Engineering	6,407,900	9,208,900	2,801,000	43.7%
Parks and Forestry	3,075,300	3,456,400	381,100	12.4%
Public Works Administration	623,100	760,900	137,800	22.1%
Street Maintenance	9,619,700	9,378,500	(241,200)	-2.5%
Parking Garage Jefferson Lot	0	346,000	346,000	N/A
Improve Infrastructure Conditions	\$19,726,000	\$23,150,700	\$3,424,700	17.4%
Financial Services - Water	1,495,700	1,480,000	(15,700)	-1.0%
Water Administration	1,097,400	1,161,100	63,700	5.8%
Promote Healthy and Safe Community	\$2,593,100	\$2,641,100	\$48,000	1.9%
Water Engineering	4,997,300	5,204,500	207,200	4.1%
Water Information Technology	3,172,900	3,308,000	135,100	4.3%
Water Non-operating	26,126,700	27,935,800	1,809,100	6.9%
Water Utility Operation	22,063,400	24,029,700	1,966,300	8.9%
Protect Drinking Water Source Area	\$56,360,300	\$60,478,000	\$4,117,700	7.3%
Subtotal	\$103,489,919	\$109,673,200	\$6,183,281	6.0%
Your Dollars Your Neighborhood	4,272,500	4,272,500	0	0.0%
Infrastructure	\$107,762,419	\$113,945,700	\$6,183,281	5.7%

- The 2023 proposed budget for the Infrastructure CSA is up \$7.2 million or 6.7%. This is the largest dollar increase for any CSA primarily contributed by the treatment change of Capital equipment from Operating to Non-Operating captured in the Civil Engineering program.
- Aviation Non-Operating is experiencing a largest year-over-year decrease due to a \$2.3 million reduction to the Aviation Capital transfer.
- Water Non-Operating increases are due to higher funding of Capital investments while, Water Utility Operation are related to the continued inflation.

2023 Proposed Budget – By CSA

	2022 Original Budget	2023 Proposed Budget	\$ Chg.	% Chg.
CSA: Corporate Services and Governance				
Organizational Development	136,100	127,200	(8,900)	-6.5%
Foster Culture of Continuous Improvement	\$136,100	\$127,200	(\$8,900)	-6.5%
Finance - Tax and Accounting	5,534,300	5,635,600	101,300	1.8%
Finance Administration	235,000	181,200	(53,800)	-22.9%
Management and Budget	1,348,200	1,441,400	93,200	6.9%
Non-departmental	2,768,400	3,528,300	759,900	27.4%
Procurement	672,000	776,500	104,500	15.6%
Utility Billing and Call Center	4,467,700	4,808,400	340,700	7.6%
Guarantee Fiscally Responsible, Accountable, & Transparent Government	\$15,025,600	\$16,371,400	\$1,345,800	9.0%
Civil Service	1,772,900	1,989,600	216,700	12.2%
Human Resources	914,100	983,000	68,900	7.5%
Invest in Diverse and Qualified Workforce	\$2,687,000	\$2,972,600	\$285,600	10.6%
City Commission Office	1,411,400	1,397,900	(13,500)	-1.0%
City Manager	1,458,800	1,571,700	112,900	7.7%
Information Technology	6,991,700	7,227,100	235,400	3.4%
Law - Civil	1,693,900	1,751,900	58,000	3.4%
Property Management	11,496,100	11,819,800	323,700	2.8%
Public Affairs	1,310,600	1,307,900	(2,700)	-0.2%
Provide Quality Service with Excellent Customer Service	\$24,362,500	\$25,076,300	\$713,800	2.9%
Corporate Services and Governance	\$42,211,200	\$44,547,500	\$2,345,200	5.5%

- The 2023 proposed budget for the Corporate Services & Governance CSA is up \$2.3 million or 5.5%.
- Civil Service has one new position to assist with increased workload for Police/Fire recruitment and hiring. Procurement, Management and Budget (PMB) has a new support position. Finance has a higher level of filled positions for redistributing job responsibilities, offset by abolishment of part-time positions.
- IT has costs increases to existing subscriptions and added costs for new technology. Non-Departmental is up due to insurance cost increases. Property Management has costs increases for streetlight and the indigent burial program.
- Internal Service Funds are experiencing increases in the Health Insurance and Fleet Management budgets.

Key Budget Takeaways

The City has experienced a year of trials with the continuance of change and irregular commodity and supply markets; all met with truly unparalleled hardwork by staff.



Key Budget Takeaways – All Funds

- Expense growth has eroded strong revenue performance from the past two years, and the proposed General Fund budget is balanced with the use of \$3.9 million from ARPA revenue replacement.
- The City observed 2 healthcare holidays in 2022 that are not being carried over into the 2023 budget.
- The Dayton Recovery plan took shape by encumbering projects that will total roughly \$18M by the end of 2022. Continued contracts for planned investments will further compliment the 2023 budget.



Key Budget Takeaways – All Funds

- In 2022 Police and Fire collectively applied for State ARPA grants. It provides two years of funding supporting 26 police officers.
 - Fire's grant, requested funding for 30 firefighters and is still being considered.
- Sworn overtime grew heavily in 2022 as staff started using more vacation and personal leave, in addition to the increased use of sick leave. The 2023 budget looks to offer a different approach for both safety forces in efforts to decrease the need for overtime.
- Fire and Police Recruit classes are planned in 2023.
 - We are exerting our best efforts to reach the goal of an average of 365 sworn officers; with a larger recruit class and lateral transfers, in efforts to achieve this metric in 2023.
 - A temporary increase in Fire's authorized strength is reflected in the 2023 budget, to help mitigate overtime. This temporary increase also supports a pilot program to deploy an additional ambulance for BLS calls.

Key Budget Takeaways – All Funds



- Your Dollars, Your Neighborhood investments in road resurfacing are being augmented with an additional \$2.4 million.
- Aviation revenues are up 17.7% compared to the third quarter of 2021. While revenue levels continue to slowly climb back to pre-pandemic amounts, CARES, CRSSA, and ARPA sources are being used to maintain operations.
 - Good News! A new Airline, Avelo, was added in late in 2022.
- Water and Sewer Funds are both projecting an increase in revenue pending rate increases, which are substantiated by the cost-of-service model.
 - Inflationary expense increases, the growth in overtime, and potential federal regulation and compliance impacts are necessitating a more strategic approach to both daily operations and the purchase of materials.

2022 Revised/2023 Proposed General Fund Sources and Uses

General Fund	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Original Budget	2022 Final Estimate	2023 Original Budget	'22 Revised - '23 Original \$ Chg.	'22 Revised - '23 Original % Chg.
Revenues	170.61	179.23	186.09	187.00	197.15	187.29	207.10	207.91	0.81	0.4%
Use of Cash Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N.A.
ARPA/FEMA	0.00	0.00	0.00	0.00	25.17	11.61	37.52	3.99	(33.52)	N.A.
Total Sources	\$ 170.61	\$ 179.23	\$ 186.09	\$ 187.00	\$ 222.32	\$ 198.90	\$ 244.61	\$ 211.91	\$ (32.71)	-13.4%
Total Uses	\$ 168.61	\$ 175.79	\$ 183.30	\$ 185.91	\$ 221.35	\$ 198.90	\$ 240.61	\$ 211.91	\$ (28.71)	-11.9%
Annual Balance	\$ 1.99	\$ 3.44	\$ 2.80	\$ 1.09	\$ 0.97	\$ 0.00	\$ 4.00	\$ 0.00	\$ (4.00)	N.A.

- The 2022 final revenue estimate is \$19.8 million or 10.6% higher than the original estimate due to unrealized work-from-home impact and the unanticipated growth in business profits revenue. Including ARPA revenue replacement, total sources are up \$45.7 million.
- Uses in 2022 are up \$41.7 million or 21.0% over the original budget due to funding the Dayton Recovery Plan, inflationary adjustments for goods and services, larger than anticipated overtime and capital investments in technology. A planned addition to cash reserve in 2022 is \$4.0 million, which equals to 7.9 weeks of operating expenses.
- The 2023 revenue estimate is up marginally, \$81,000 or 0.4% as a result of an anticipated slowdown in the economy and a revised lower impact for work-from-home impact.
- The 2023 proposed General Fund budget is balanced with the use of \$4.0 million in one-time ARPA funds.

2022 Revised/2023 Proposed General Fund Sources and Uses

Revenue Category	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Original Estimate	2022 Final Estimate	2023 Original Estimate	22 Orig to 2023	22 Orig to 2023	22 Final Est to '23	23 Final Est to '23
Income Tax	122.37	129.99	133.58	133.73	145.76	135.88	154.06	154.25	18.38	13.5%	0.19	0.1%
Property Tax & Other Taxes	6.06	6.24	6.48	6.25	6.58	6.48	6.94	6.51	0.03	0.01	(0.43)	-6.2%
Waste Collection Fees	8.50	8.85	9.29	9.69	9.96	10.31	10.31	10.67	0.36	3.5%	0.36	3.5%
EMS Fees	3.51	4.10	4.66	4.74	4.98	5.07	5.07	5.12	0.05	1.0%	0.05	1.0%
Other Charges for Services	12.24	10.27	11.14	9.50	9.94	9.95	9.95	10.39	0.45	4.5%	0.45	4.5%
Local Gov't Fund	6.33	6.49	6.92	6.95	7.86	7.45	8.12	5.96	(1.49)	-20.0%	(2.16)	-26.6%
Other Intergovernmental	4.32	4.15	4.27	3.32	4.61	4.43	4.43	4.47	0.04	1.0%	0.04	1.0%
Fines and Forfeits	0.65	0.49	0.41	0.26	0.70	0.51	0.51	0.51	0.01	1.0%	0.01	1.0%
Licenses and Permits	1.72	2.90	3.02	2.26	2.98	3.02	3.35	3.35	0.33	10.8%	-	0.0%
Other Revenues	4.91	5.74	6.31	10.31	3.78	4.20	4.36	6.66	2.47	58.7%	2.30	52.8%
Total Revenues	170.61	179.23	186.09	187.00	197.15	187.29	207.10	207.91	20.63	11.0%	0.81	0.4%
Use of Cash Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N.A.
Total Sources	\$170.61	\$179.23	\$186.09	\$187.00	\$197.15	\$187.29	\$207.10	\$207.91	\$20.63	\$ 0.11	\$ 0.81	0.4%
% Chg. from Previous Year	7.8%	5.1%	3.8%	0.5%	5.4%	-5.0%	5.0%					
\$ Chg. from Previous Year	12.28	8.62	6.86	0.90	10.16	(9.87)	9.95					

- The 2023 revenue forecast was reviewed and vetted by the Revenue Advisors Group.
- Compared to the 2022 revised estimate, 2023 revenues are expected to increase slightly or remain the same in every category but two: Property Tax and Other Taxes, and Local Government Fund.
- Given the growth in expenses, and a modest increase in revenue, it was necessary to use \$4.0 million of the ARPA revenue replacement to balance the 2023 General Fund budget.

2022 Revised/2023 Proposed Water Fund Sources and Uses

Water	2022 Original	2023 Proposed	\$ Chg.	% Chg.
Revenues	58,700,400	62,287,856	3,587,456	6.1%
Use of Fund Balance	11,747,900	13,163,944	1,416,044	12.1%
Total Sources	70,448,300	75,451,800	5,003,500	7.1%
Program Area				
Environmental and Wellfield Prot	5,817,700	3,782,800	(2,034,900)	-35.0%
Water Supply and Treatment	28,799,600	33,370,800	4,571,200	15.9%
Total Building and Environmental	\$34,617,300	\$37,153,600	\$2,536,300	7.3%
Utility Billing and Call Center	2,995,500	3,208,900	213,400	7.1%
Finance - Tax and Accounting	396,000	403,100	7,100	1.8%
Finance - Consolidated Call Center	825,700	885,300	59,600	7.2%
Total Corporate Services and Governance	4,217,200	4,497,300	280,100	6.6%
Development - Wellfield	133,700	137,900	4,200	3.1%
Total Economic and Community Dev	133,700	137,900	4,200	3.1%
Water Administration	1,097,400	1,161,100	63,700	5.8%
Financial Services - Water	1,087,000	1,035,700	(51,300)	-4.7%
Water Engineering	1,980,600	2,067,600	87,000	4.4%
Water Information Technology	3,172,900	3,308,000	135,100	4.3%
Water Utility Operation	11,427,200	12,702,400	1,275,200	11.2%
Water Non-operating	4,215,000	4,388,200	173,200	4.1%
Transfers to Capital	8,500,000	9,000,000	500,000	5.9%
Total Infrastructure	31,480,100	33,663,000	2,182,900	6.9%
Total Uses	\$70,448,300	\$75,451,800	\$5,003,500	7.1%
Ending Balance	\$0	\$0		

- 2023 Proposed Water Fund Revenues are conservative estimates in advance of approved 2023 rate adjustments.
- The Use of Fund Balance increase and Total Uses may be adjusted pending rate approval.
- Utility costs, fuel, and water chemicals and materials necessary for operations have been greatly impacted by inflation.

2022 Revised/2023 Proposed Sewer Fund Sources and Uses

Sanitary Sewer	2022 Original	2023 Proposed	\$ Chg.	% Chg.
Revenues	38,691,200	41,227,530	2,536,330	6.6%
Use of Fund Balance	5,145,600	5,374,970	229,370	4.5%
Total Sources	\$43,836,800	\$46,602,500	\$2,765,700	6.3%
Program Area				
Water Reclamation	22,562,100	24,069,800	1,507,700	6.7%
Total Building and Environmental	22,562,100	24,069,800	1,507,700	6.7%
Financial Services - Water	109,000	115,400	6,400	5.9%
Water Engineering	1,655,700	1,730,700	75,000	4.5%
Water Non-operating	5,224,800	4,749,000	(475,800)	-9.1%
Water Utility Operation	7,360,200	7,937,600	577,400	7.8%
Non-departmental (transfers out)	6,925,000	8,000,000	1,075,000	15.5%
Total Infrastructure	21,274,700	22,532,700	1,258,000	5.9%
Total Uses	43,836,800	46,602,500	2,765,700	6.3%
Ending Balance	\$0	\$0		

- 2023 Proposed Sewer Fund Revenues are conservative estimates in advance of approved 2023 rate adjustments.
- The Use of Fund Balance increase and Total Uses may be adjusted pending rate approval.
- Utility costs, fuel, and water chemicals and materials necessary for operations have been greatly impacted by inflation.

2022 Revised/2023 Proposed Storm Fund Sources and Uses

Storm Water	2022 Original	2023 Proposed	\$ Chg.	% Chg.
Revenues	8,765,300	9,611,100	845,800	9.6%
Use of Fund Balance	0	0		N.A.
Total Sources	\$8,765,300	\$9,611,100	\$845,800	9.6%
Environmental and Wellfield Protection	573,600	556,500	(17,100)	-3.0%
Total Building and Environmental	573,600	556,500	(17,100)	-3.0%
Financial Services - Water	299,700	328,900	29,200	9.7%
Street Maintenance	1,635,300	1,602,800	(32,500)	-2.0%
Water Engineering	1,361,000	1,406,200	45,200	3.3%
Water Non-operating	1,261,900	1,798,600	536,700	42.5%
Water Utility Operation	3,276,000	3,389,700	113,700	3.5%
Total Infrastructure	7,833,900	8,526,200	692,300	8.8%
Total Uses	8,407,500	9,082,700	675,200	8.0%
Ending Balance	\$357,800	\$528,400	\$170,600	47.7%

- 2023 Proposed Storm Fund Revenues are conservative estimates in advance of approved 2023 rate adjustments.
- The increase in the Water Non-Operating budget can be attributed to higher insurance costs as well as a 2020 debt series payment.
- Fuel and materials necessary for operations have been greatly impacted by inflation.

2022 Revised/2023 Proposed Aviation Fund Sources and Uses

Estimated Sources	2022 Original Budget	2023 Proposed Budget	\$ Chg.	% Chg.
Revenues	25,754,500	25,140,800	(613,700)	-2.4%
PFC/CFC Transfers	4,820,000	4,034,500	(785,500)	-16.3%
Federal Support	5,054,900	5,865,000	810,100	16.0%
Use of Fund Balance	411,181	-	(411,181)	-100.0%
Total Sources	\$36,040,581	\$35,040,300	(\$1,000,281)	-2.8%
Estimated Uses				
Program Area:				
Airport Safety Services	6,090,662	5,979,800	(110,862)	-1.8%
Total Building and Environmental Safety	6,090,662	5,979,800	(110,862)	-1.8%
Airport Support Services	5,139,400	5,657,100	517,700	10.1%
Total Economic and Community Development	5,139,400	5,657,100	517,700	10.1%
Airport Operations and Facilities	13,743,219	14,665,200	921,981	6.7%
Aviation Non-operating	7,158,400	7,149,500	(8,900)	-0.1%
Non-departmental (transfers out)	3,908,900	1,588,700	(2,320,200)	-59.4%
Total Infrastructure	24,810,519	23,403,400	(1,407,119)	-5.7%
Total Uses	\$ 36,040,581	\$ 35,040,300	\$ (1,407,119)	-2.8%
Ending Balance	\$0	\$0	\$0	N.A.

- Projected Aviation sources are down 2.8% and the 2023 proposed budget requires the use of federal stimulus support.
- The 2022 budget includes a PFC /CFC transfer for shuttle services that did not occur and is not budgeted in 2023.
- Expense increases in Airport Support Services largely reflect increased overtime costs and inflationary impacts to contracts and materials.
- The transfers out in Non-Departmental is for capital projects and the airport is doing fewer capital projects in 2023.

Budget Vulnerabilities

Work-From-Home
revenue
reductions

Employee
turnover,
wage
inflation, and
competitive
hiring market

Inflationary
pressures &
supply chain
challenges

Cybersecurity
and IT
investments

Aging
infrastructure,
facilities, and
equipment

Rising health
insurance
costs

Social
changes and
pressures

Climate
change and
severe
weather
events

Structural Imbalance

2023 Overview Summary

- General Fund revenues continued their strong 2021 performance into and through 2022. However, this was largely offset by rising increases in personnel as a result of wage increases and strategic reorganizations being in place a full year as well as inflationary impacts to contracts and materials.
- A reduction in income tax collections due to work-from-home policies is built into the 2023 assumptions, but at a lower amount than in 2022.
- Use of one-time sources provides a runway for the General Fund, as well as the Aviation Fund, to address structural imbalances.
- The Dayton Recovery Plan is well underway. Efforts to get funding for external programs was prioritized, and \$18 million is slated to be encumbered by the end of the year. 2023 work plans incorporate significant progress on actuating the plan, particularly on efforts carried out directly by the City.